

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2018-\_\_\_\_-E**

IN RE:	)	
SolAmerica SC, LLC and Edgefield County	)	
S1, LLC,	)	
	)	
	)	
	)	<b>REQUEST FOR MODIFICATION</b>
Requestors,	)	
	)	
	)	

**INTRODUCTION**

SolAmerica SC, LLC and Edgefield County S1, LLC<sup>1</sup>, (hereinafter collectively as, “SolAmerica”, or “Requestors”), make this Request for Modification of an Interconnection Agreement (“IA”) for a 10 MW AC Solar Project located in Edgefield County, South Carolina (hereinafter as, “Project”). The Request for Modification is made pursuant to Section 12.12 of the IA, described herein.

On April 9, 2018, SolAmerica (through Edgefield County S1, LLC) entered into a Power Purchase Agreement, (“PPA”) with South Carolina Electric & Gas, Company, and (“SCE&G”). Under the PPA, SolAmerica and SCE&G agreed to a Completion Deadline for the Project of September 23, 2019, and SolAmerica has relied on that negotiated Completion Deadline. SolAmerica (through SolAmerica SC, LLC) also executed the October 4, 2016 IA with SCE&G which is referenced throughout the PPA and permits SolAmerica to interconnect the Project to SCE&G’s grid. As of the date of this Request, SCE&G is refusing to extend the IA milestone completion date to align with the September 23, 2019 completion date for the Project.

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<sup>1</sup> Wholly-owned subsidiaries of SolAmerica Energy LLC.

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In addition, SolAmerica is required by the PPA to post collateral of \$450,000.00 to SCE&G by May 9, 2018 (a Motion to Maintain Status Quo, as to this payment will be filed with this Commission, on even date, in conjunction with this Request). SCE&G's unwillingness to extend the interconnection completion date to align with the negotiated PPA Completion Deadline has jeopardized the Project, caused SolAmerica's financing to fall through, and threatens to cause losses to SolAmerica that include \$258,000 paid in interconnection fees to SCE&G and over \$100,000 that SolAmerica has spent to develop the Project.

### **REQUEST FOR MODIFICATION**

#### **Basis for Request.**

This Request for Modification is made pursuant to Section 12.12 of the IA which states, "[T]he Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this agreement." In addition, the Commission has the statutory authority to amend, modify, and change any contract with an electrical utility that affects the use or disposition of an electrical utility's product or charges paid to an electrical utility when the public interest requires. *See* S.C. Code Ann. Section 58-27-980, (1976, as amended).

#### **Background for Request.**

When negotiating and executing the PPA with SCE&G, SolAmerica understood that SCE&G would agree to amend the final IA interconnection milestone dates to conform to the September 23, 2019 project completion deadline in the PPA. The PPA references the IA throughout and expressly acknowledges that the IA would be assigned from SolAmerica SC, LLC, to Edgefield County S1, LLC.

From SolAmerica's discussions with SCE&G, SolAmerica also understood that there was flexibility with the IA milestones, especially since SolAmerica had paid in full approximately \$258,000 due to SCE&G under the IA and SCE&G has completed most, if not all, of the interconnection facilities for the Project. Additionally, SolAmerica has incurred development costs of approximately \$100,000.00.

Problems Caused by SCE&G's Position.

SCE&G has recently indicated that the latest in-service date that SCE&G is willing to accept for the Project is December 8, 2018. The December 8, 2018 date *is more than nine months earlier than the Project Completion Date that SCE&G agreed to in the PPA just weeks earlier*. Factually, a December 8, 2018 completion date is not possible at this time due to various SolAmerica contractual obligations and financing conditions. Further, SolAmerica's land leases prohibit any construction between May 1<sup>st</sup> and September 15<sup>th</sup> to permit the landowners to grow and harvest crops on the land. Thus, completion of the Project by December, 2018, as suggested by SCE&G, is not possible.

This Request is not due to Lack of Diligence by Requestors.

SolAmerica has worked diligently since executing the IA to develop this Project, but faced challenges in 2017, and throughout the first part of 2018, as concerns about tariffs on solar modules created uncertainty as to the economics of this Project. Those concerns persisted until a decision was reached on the solar tariff at the end of January 2018. Other uncertainties in the South Carolina market due to recent events have also created financing challenges. Nevertheless, during that time, SolAmerica worked diligently to develop the Project. It has, by way of example only, completed environmental and geotechnical diligence, negotiated and entered a tax agreement with Edgefield County, obtained additional easements and property rights necessary for the project, redesigned the project to improve performance, and satisfied other legal and regulatory requirements. SolAmerica has entered agreements with multiple landowners, and those landowners are counting on lease income from this Project. SolAmerica has also worked with Edgefield County which is counting on tax revenues from this Project once it is completed. In addition, SolAmerica has worked through multiple versions of the SCE&G PPAs and successfully completed negotiations of the agreement recently signed with SCE&G.

The \$450,000.00 Payment.

Under the recent PPA executed with SCE&G, SolAmerica was required to post \$450,000.00 of collateral (the “Development Period Credit Support”) with SCE&G within 30 days of execution of the PPA. SolAmerica had planned on its investor posting the collateral on May 9, 2018 when due. However, as a result of SCE&G’s unwillingness to extend the IA completion date to align with the PPA completion date, SolAmerica’s investor backed out on the day before the collateral was due pending resolution of this Request. Neither SolAmerica nor its investor can make such a substantial deposit on the Project when its future is uncertain.

**RESERVATION OF RIGHTS**

SolAmerica reserves all of its legal rights and remedies, including but not limited to the filing of a formal Complaint with this Commission, after this Commission’s decision on this Request for Modification and Motion to Maintain Status Quo, described hereinabove.

Requestors are represented by counsel in this proceeding:

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**CONCLUSION**

Based on the foregoing and the Requestors’ Motion to Maintain Status Quo, filed on even date and referenced hereinabove, this Commission should inquire in this matter and Order the following relief.

**WHEREFORE**, Requestors pray for the following relief:

- a. Order SCE&G to modify the Interconnection Agreement referenced in detail hereinabove, to align the In-Service Date in the Interconnection Agreement with the Project Completion Date in the recently executed Power Purchase Agreement, namely, September 23, 2019;
- b. As a result of this Request and Requestors' Motion to Maintain Status Quo of even date, this Commission should Order that Requestors make the \$450,000.00 payment, otherwise due on May 9, 2018, within thirty days of this Commission's Order on the Request for Modification; and
- c. GRANT SUCH OTHER AND FURTHER RELIEF AS IS JUST AND PROPER.

Respectfully Submitted,  
/s/

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May 9, 2018  
Columbia, South Carolina